

	Meeting	FRHP
	Date	7 th March 2017
	Item Number	7
Title:	De-risking Switch of Payroll Provider	
Responsible TBAP Leadership team member:	Nathan Crawley Lyons, Chief Operating Officer	
Prepared By :	Richard Gregg, HR Manager	

1. Purpose

- 1.1** This short paper summarises the steps being taken to de-risk the switch of payroll providers from 1st April 2017.

2 Background

- 2.1 Previous Payroll Provision to TBAP** – Historically, TBAP has largely relied upon the Tri-Borough to provide a suite of corporate back office functions, including HR, payroll and pensions. This met our needs while TBAP was Tri-Borough based, but led to increasing issues with the take on of Octagon in Haringey. These have escalated with expansion into Cambridgeshire and our distinct Multi-Academy Trust status. LBHF lead for the Tri-Borough on payroll and their systems struggled with things like pension payments to Haringey LGPS outside their normal remit. Major issues for all Tri-Borough customers resulted from the outsourcing of payroll to BT in April 2015. TBAP did not have the opportunity to verify data provided to BT payroll and their service has fallen far short of the required standard. Repeated errors in calculating pay, delays in payments to pension schemes, child care and accounting problems have been a feature of the service. This has impacted on many staff and resulted in major pension issues and delays in clearing TBAP accounts.
- 2.2 New Provider** – Following a competitive tender, the Board approved a contract with Access Group UK covering delivery of a self-service HR system linked to a bureau managed payroll service. The breakdown in the Tri-Borough payroll contract with BT has meant that we have been unable to obtain the data necessary to build and fully test through comprehensive gross to net parallel runs the new system.
- 2.3 1 April Cut-Over** – The Board had asked for 2 clear parallel runs before any decision to go live with the new system. That is not going to be achievable due to the current provider not providing the information in a timely manner, regardless of repeated requests and escalation. The balance of risk is such that we have to make the decision to move to our identified new supplier from the beginning of April. Remaining with the Tri-Borough arrangement is not sustainable. A large number of Tri-Borough schools and academies have reached the same conclusion. It is not an option to go with suppliers geared up to supporting Tri-Borough establishments given TBAP's scope.

3 De-Risking an April Cut-Over

3.1 Deciding to sever the links with the Tri-Borough and their contract with BT is the major factor in tackling the risks of continuing failures to pay staff accurately, provide them with pay slips, ensure that suppliers (HMRC, pension schemes, courts, student loans, etc) are paid accurately and on time, and meeting accounting requirements. Members of the TBAP HR and Finance teams met with the Access Payroll Manager on 1 March to clarify requirements for go-live and to identify actions to reduce risks of cut-over.

3.2 Mitigating Actions:

- I. Parallel runs – These are planned in mid-March for both February and March pay run comparison. The initial focus will be on ensuring that **gross pay** calculations are correct.
- II. Select HR Data – This drives basic pay calculations. Data will be verified and updated where necessary as part of the parallel **gross pay** comparison.
- III. Base-lining – Every effort is being made to deliver an accurate final March pay run with the current provider to provide a robust baseline for checking April **gross and net** pay proposals.
- IV. Pay Positions – Teacher, NJC and NHS pay scales applicable to TBAP staff have all been loaded. This includes taking account of the 1% cost of living uplift in NJC scales from 1 April. This will avoid any need for back pay calculations from a deferred implementation. Spot rate provision is included for TUPE staff on anomalous scales.
- V. Term Time Only - Individual checks are being made with regard to gross salary calculations for Term Time Only staff. In general, this covers LSP's 40 weeks and BSP's 41 weeks, where annual leave entitlement calculations are also required.
- VI. Part-time and Maternity Pay – Again, individual checks are being made to ensure that current and future gross pay calculations are accurate.
- VII. Tax codes – An April cut-over means that the new supplier, Access, will have been provided direct by HMRC with 2017-18 tax codes and NI position for all current staff. BT remains legally responsible for provision of end-year P60 tax information up to end March 2017. An April cut-over means that the switch to the new supplier is free of the need to take into account year to date information.
- VIII. Pensions – We are checking individual employee percentage contributions against scheme rules. TBAP will have responsibility from April for registering starters and leavers with pension scheme administrators.
- IX. BACS – A test will be run of the BACS payment arrangements (one penny transfer).
- X. Accounting for Expenditure – Pay proposals will be supplied by Access in good time to allow for checks to be made. No BACS payment will be made without authorisation by TBAP. BACS advice and data for reconciliation through the TBAP finance system will be supplied on a monthly basis.
- XI. Staffing Effort – Access retain additional transitional support for a minimum of 1 month. The TBAP HR team have scheduled dedicated time to allow for preparation of variable data and checking pay proposals. A dedicated member of the Access payroll bureau service will have responsibility for TBAP transactions, backed up by a named team member. TBAP HR will travel to the Banbury site of payroll operations as necessary.

XII. Pay slips – Staff will initially receive both electronic and hard copy pay slips.

4. Timetable – Key Dates

4.1 Responsibility for supplying TBAP with a fully managed payroll service transfers to Access Group UK on 1 April 2017.

4.2 Key Dates for the two April pay runs: support (mid-month, normally 15th) and teachers (end of month) are as below.

Support Staff Payroll

Pay date	BACS Closing date (4 day window)	TBAP Cut off date	Access Pay Proposal
13 th April 2017	10 th /11 th April	31 st March	4 th April (approx. 10am)

Teaching Staff Payroll

Pay date	BACS Closing date	TBAP Cut off date (Variable Data)	Access Pay Proposal
28 th April 2017	25 th April	18 th April	20 th April (approx. 10am)